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Program for Reviewing Acquisitions and Payments Under FEDSTRIP/MILSTRIP System

I Policy:

1. The Agency property acquisition and payment system as applicable to FEDSTRIP/MILSTRIP shall be reviewed by examination and testing in order to establish the reliability and verify the accuracy of recorded facts. This review shall have as it's main objective proof of the adequacy and effectiveness of the system.

II Background:

1. All expenditures for property purchased under the FEDSTRIP/MILSTRIP system are recorded in General Ledger account 606.0 (Property Purchased - Expenditures). These expenditures are identified by the use of a FEDSTRIP/MILSTRIP number in the description area of the General Ledger account. Entries to account 606.0 are normally debits however credit entries are made to reverse prior erroneous expenditures, record un-identified credits and discounts received from the suppliers. In the case of un-identified credits and discounts they are identified in account 606.0 by the use of one's in the obligation reference or purchase order area.

2. All acquisitions of property under the FEDSTRIP/MILSTRIP system are record in General Ledger account 607.0 (Property Purchased - Acquisitions). These acquisitions are identified by receiving report number and logistics voucher or purchase order number.

3. General Ledger accounts 606.0 and 607.0 are closed at the end of each fiscal year, however, the data contained in these accounts is retained by O.C.S. for [redacted]

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4. The 606.0/607.0 statistical report is issued quarterly in two parts. The first part is a listing of unmatched acquisition and payment transactions controlled on the logistics voucher or purchase order number and the dollar value. The second part is a listing of all acquisitions which have no corresponding expenditure. This listing contains only items that were recorded nine months or more prior to the close of the quarter.

III Steps To Be Taken:

1. Review the quarterly 606.0/607.0 statistical report part one as follows:
 - A. Look only at items identified with a FEDSTRIP/MILSTRIP number in the description area of the 606.0 part of the entry.
 - B. Disregard all unmatched items having a dollar variance of less than \$100.00.
 - C. Disregard all items having one's in the obligation reference or purchase order area.
 - D. Verify every tenth item and every item exceeding \$1,000.00, other than B and C above, to determine the cause of mismatch by inspecting the orginal documents, including the billing and applicable receiving report, which caused the items to be recorded in the 606.0 and 607.0 accounts.
2. Review the quarterly 606.0/607.0 statistical report part two as follows:
 - A. Disregard all items having a dollar value of less than \$100.00.
 - B. Compare dollar values by obligation reference or purchase order number to unmatched balances in part one of the report.
3. Review the Monthly Transaction Register covering the last month included in the quarterly 606.0/607.0 statistical report as follows:

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- A. Within the 606.0 section, look only at items identified with a FEDSTRIP/MILSTRIP number in the description area.
- B. Disregard all items having a dollar value of less than \$100.00.
- C. Verify every tenth item and every item exceeding \$1,000.00, other than B above, to the procurement file maintained by logistics to determine if a receiving report was issued and the property was received by the requesting component.

IV. Reporting:

1. A report shall be issued listing:
 - A. Quarter covered.
 - B. Total number of items and dollar value listed in the 606.0 account during the quarter.
 - C. Number of items and dollar value of items looked at.
 - D. Number and reason for mismatches looked at.
 - E. Number and dollar value of items looked at for which no receiving report was issued.
2. This report shall contain comments on the adequacy and effectiveness of the system as well as recommendations, if any to improve the system.
3. The report shall be issued to the Chief, Certification and Liaison Division as soon as practicable after the close of the quarter.



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Chief,
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